

**{As Prepared for Deliver}**

**Iowa Farm Bureau  
Economic Vision Award Presentation  
November 30, 2005**

**Under Secretary for Rural Development  
Thomas C. Dorr**

**Thank you for that kind introduction. It's great to be here.**

**As you know, I've farmed most of my life in Cherokee County, and I know there's no greater advocate for Iowa farmers -- and no better partner for USDA Rural Development -- than the Iowa Farm Bureau.**

**That's why I'm here today. I'm here to recognize and thank you for your vision and leadership -- not just for farmers, but across the whole spectrum of rural development issues. RD- likes to recognize leadership -- culture of celebrating success -- we don't always do it well in rural America.**

**That breadth of vision is important because things are changing, and changing fast. If you will permit me to get theoretical for a moment, we are on the verge of a fundamental paradigm shift in rural policy.**

**To reduce it to a formula, I believe we're in the process of shifting the focus from agricultural policy to rural policy ...**

**... from a model that devotes most of its attention and resources to farm-based commodity management programs ...**

**... to a new paradigm that recognizes that the health of the farm economy is inseparable from the vitality of the rural community of which it is a part.**

**That doesn't mean that farmers will be ignored or left out. Not at all. But it does mean that we need to start thinking a bit differently about economic viability, especially given the realities of limited budgets, the globalization of agricultural trade, and WTO-driven constraints.**

**We don't always put this in theoretical terms, but as a practical reality I think we all understand the dynamics at work.**

**Anyone who has farmed for the last four decades, as I have ... and watched many of your neighbors leave the business, as I have ... knows the score. We can't keep doing what we've been doing and expect to succeed in the long run.**

**The evidence is pretty clear. I hope I'm not the oldest person in the room, although I'm working on it, but when I was born, there were 6 ½ million farms in the United States. Today, two-thirds of those are gone. The fact is, every farmer in this room is a survivor.**

**The 2 ¼ million farms that remain today produce more food, cheaper and easier, in greater quality and variety than ever before ... and only about 250,000 large farms account for most it.**

**Frankly, that's where 70 years of the old paradigm has brought us. We've had extraordinary productivity, but with the loss of most of America's family farms.**

**Make no mistake: keeping the family farm in business is important.**

**I'm a great advocate of that. But looking back at the experiences of the last two generations, it's clearly time for some new strategies.**

**That's where the new paradigm comes in. Things have changed. We need to change too. That begins with recognizing new realities.**

**Not so long ago – certainly in my grandfather's time, and still to some extent in my father's – you could say “rural” and mean “farm.” The rural economy was natural resources based: farming, ranching, forestry, mining, and small towns catering to those industries.**

**By the calendar, that wasn't so long ago -- but already it feels like a whole different world. The fact is today, 96% of the income in rural areas is from non-farm sources. The vast majority of the 60 million people living in rural America don't farm at all. They work in offices, factories, and shops, at jobs indistinguishable from their city cousins except they don't have two hour commutes.**

**Even among farm families, most depend on non-farm income. They farm part-time and at least one spouse, often both, works in town.**

**The vitality of rural communities ... the availability of good jobs off the farm ... quality health care and good schools ... modern infrastructure, broadband ... the amenities that make rural communities attractive to young families ... the ability to grow a business ... this is where the future lies for rural communities, whether you farm or not.**

**And this is what USDA Rural Development is about. We're not involved in federal support programs. That's above my pay grade. You need to talk to Congress and the Farm Services Agency about that.**

**We are, however, involved in helping communities and producers create the economic environment for growth. And we need your help.**

**One of the most important developments in this area in recent years has been the recognition by producer groups that their future depends on getting this done. That means asserting a leadership role on behalf of the**

**community as a whole. The fact is, in most rural communities, the farmers are the community leaders. If you don't step up, no one will.**

**That's the new paradigm in action, whatever you call it. I began by talking about vision and leadership. Those are easy things to say. But we all know that "saying" is one thing and "doing" is another. The "doing" part can be hard. But that's not going to stop us.**

**We really have no choice. This is a time of enormous change. Welcome or not ... whether we're ready or not ... the changes keep coming:**

- **scientific advances,**
- **new technologies in the field,**
- **globalization,**
- **productivity gains,**
- **and a level of competition our parents wouldn't have imagined in their worst nightmares.**

**We know there's no going back. There's nowhere to hide. But there's also opportunity if we have the vision and leadership to stay ahead of the curve. And that's where we have to work together.**

**We each have a role. USDA Rural Development is an investment bank. At current budget levels, we invest around \$12-13 billion a year in rural infrastructure, housing, community facilities, and businesses. We support value added investments and renewable energy. Wherever there's an opportunity, we'll be there.**

**But our effectiveness, frankly, depends on our partners in the private sector. We can provide investment capital and technical support, but you have to provide the entrepreneurial vision and spirit.**

**In the final analysis, we're here to support you ... your hopes and dreams ... your communities and businesses.**

**Without you, we're just an interested spectator.**

**That's why it's so important for leaders like the Iowa Farm Bureau to keep orienting farmers and rural America to the opportunity side of the equation.**

**You're doing an outstanding job of this. If you look at the engines of growth in the rural economy in 2005, the Iowa Farm Bureau has staked out a leadership position on just about all of them.**

**A generation ago, these things wouldn't have been on the radar screen. Today, they're the wave of the future.**

**Ethanol ... other renewables ... value added production ... bio-agriculture ... rural community development ... everywhere you look, the Iowa Farm Bureau is encouraging investment and diversification.**

**And it's paying off. Just to take two examples that fall within our orbit:**

- **In 2005, 37 Iowa producers and businesses were the recipients of \$5.7 million in grant funds in our Renewable Energy and Energy Efficiency program.**

**That's a quarter of all the recipients and 27% of the funding nationally. That's an impressive mark, and a lot of this can be traced back to the Iowa Farm Bureau's active promotion.**

- **The same thing is true in our Value Added Producer Grant program. Iowa is way out in front. Over the past 5 years, 84 Iowa-based projects have received over \$15.5 million in grant funds -- fully 15% of the national funding available. Investment in ethanol, biodiesel, wind and other value added.**

**That also didn't happen by accident. It happened because the Iowa Farm Bureau, among others, has worked tirelessly to promote an entrepreneurial spirit among its members. And that will pay dividends for years to come -- not just for farmers, but for the entire Iowa rural community.**

**Bottom line, the Iowa Farm Bureau is much more than an advocate for farmers, although you are that. You are, in fact, an effective advocate**

for opportunity and growth for all of Iowa ... and you are a great partner for USDA Rural Development.

Working together, we can and will turn the changes we face today into the opportunities of tomorrow. We've done it before.

There are a hundred things today -- things that you and I take for granted -- that our parents would have thought beyond the range of science fiction. And while we take these things for granted, our kids can't even imagine a world without them.

People writing about aerospace like to talk about going from Kitty Hawk to the moon in a single lifetime. But what we've done in agriculture is just as remarkable, and just as rapid.

In a single lifetime, we've gone from plowing behind a mule to gene splicing and GPS mapping in the fields. When you get down to it, Neil Armstrong has got nothing on an Iowa corn farmer in the 'Scientific Marvels Department.'

**The changes have been extraordinary. And as Ronald Reagan used to say, “You ain’t seen nothing yet.” I firmly believe that.**

**The opportunities in ethanol and renewable energy ... in bio-agriculture ... in value added production ... in internet-driven economic diversification ... in the ability of small towns with good schools and quality health care to leverage quality of life into economic development ... these things are here today.**

**At USDA Rural Development, we look forward to working with you to seize these opportunities. And so, in that spirit, it is a great pleasure for me to present this Award in recognition of the economic vision and leadership that the Iowa Farm Bureau is bringing to the field.**

**You are making a difference. So on behalf of President Bush, Secretary Johanns, and a great team at USDA Rural Development, thank you.**